

Message Text

UNCLASSIFIED

PAGE 01 STATE 280692

67

ORIGIN PM-03

INFO OCT-01 ISO-00 CIAE-00 DODE-00 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 AID-05 IGA-01 EB-07 AF-10 ARA-10 EA-10 EUR-12

NEA-10 MC-02 ACDA-10 IO-10 /143 R

DRAFTED BY PM/SAS:DWMCCCLINTOCK/RS

APPROVED BY PM/SAS - JFLADD

H- MR. SCHNEE (SUBS)

L/PM - MR. MICHEL

AID/BC/LPC - MR. NIELL

----- 020466

R 240043Z DEC 74

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS

UNCLAS STATE 280692

E.O. 11652:N/A

TAGS:MASS, XX

SUBJECT:POLITICO-MILITARY ASPECTS OF FY75 FOREIGN ASSIS-
TANCE ACT

1. PARAGRAPH 2 CONTAINS POLITICO-MILITARY HIGHLIGHTS OF FY 75 FOREIGN ASSISTANCE ACT AS REPORTED FROM CONFERENCE ON DECEMBER 17 AND SUBSEQUENTLY PASSED BY BOTH HOUSES; LEGISLATION REMAINS TO BE SIGNED BY PRESIDENT. CONTINUING RESOLUTION AUTHORITY (CRA) TO COVER FUNDING UNTIL FEBRUARY 28 ALSO PASSED; THIS CRA IS BASED ON FY74 LEVELS WITH EXCEPTION OF SPECIAL NEW FUNDING FOR THE MIDDLE EAST, CYPRUS AND PORTUGAL AND PORTUGUESE EX-COLONIES. THIS SUMMARY DOES NOT ADDRESS LEGAL INTERPRETATIONS OR SPECIFICS OF ALL REGIONAL PROGRAMS. THESE WILL BE COVERED IN FUTURE MESSAGE AS NECESSARY.

2. PROVISIONS OF GENERAL INTEREST:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 280692

--TOTAL FOR:IGN ASSISTANCE AUTHORIZATION IS DOLS 2.69 BILLION.

--MAP LIMITED TO DOLS 600 MILLION.

--FMS (NEW OBLIGATIONAL AUTHORITY) LIMITED TO DOLS 405 MILLION; TOTAL AGGREGATE FMS CREDITS MAY NOT EXCEED DOLS 872.5 MILLION, OF WHICH NOT MORE THAN DOLS 330MILLION AVAILABLE

FOR THE MIDDLE EAST.

--SECURITY SUPPORTING ASSISTANCE LIMITED TO DOLS 660 MILLION, OF WHICH NOT MORE THAN DOLS 652 MILLION MAY BE EXPENDED IN MIDDLE EAST.

--FMS CREDIT GUARANTEE REQUIREMENT IS REDUCED FROM 25 TO 10 PERCENT.

--FMS CREDIT GUARANTEES OF FEDERAL FINANCING BANK LOANS ARE AUTHORIZED.

--FMS CREDITS ARE LIMITED TO A TEN YEAR DURATION. INTEREST TO BE AT COMMERCIAL RATES UNLESS PRESIDENT DETERMINES THAT CONCESSIONARY RATES ARE IN NATIONAL INTEREST.

--SALES IN EXCESS OF DOLS 25 MILLION MAY BE MADE ONLY UPON PRIOR NOTIFICATION TO CONGRESS; PROPOSED TRANSACTIONS SUBJECT TO DISAPPROVAL BY CONCURRENT RESOLUTION WITHIN 20 CALENDAR DAYS. THIS REQUIREMENT MAY BE WAIVED UPON PRESIDENTIAL CERTIFICATION THAT EMERGENCY INVOLVING US SECURITY INTERESTS PRECLUDES 20 DAY WAIT.

--PRESIDENT IS REQUIRED TO SUBMIT A PLAN FOR PHASE-OUT OF MAP. THIS PLAN TO BE SUBMITTED WITHIN FIRST SESSION OF 94TH CONGRESS. (SENATE VERSION, SETTING A SEPTEMBER 1977 PHASE-OUT, WAS NOT ACCEPTED.)

--MAAG COSTS TO BE DEDUCTED FROM TOTAL MAP APPROPRIATIONS AFTER JULY 1, 1976.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 280692

--EXCESS DEFENSE ARTICLES (EDA)ARE SUBJECT TO RESTRICTIONS THAT APPEARED IN THE HOUSE BILL; I.E., ALL ARTICLES GENERATED IN U.S. ARE CHARGEABLE TO MAP; ARTICLES GENERATED ABROAD IN EXCESS OF DOLS 100 MILLION ARE CHARGEABLE TO MAP. EDA VALUATION TO BE CALCULATED AT NOT LESS THAN ONE THIRD OF ACQUISITION COST.

--SECTION 506 DRAWDOWN AUTHORITY (DEFENSE STOCKS) IS LIM-

ITED TO DOLS 150 MILLION (SEE ALSO CAMBODIA, BELOW.)

--INTERNATIONAL POLICE ACADEMY WILL BE PHASED-OUT BY
JULY 1, 1975.

3. KEY REGIONAL PROVISIONS:

--ISRAEL IS AUTHORIZED TO RECEIVE DOLS 325 MILLION IN ECO-
NOMIC AID AND DOLS 300 MILLION IN FMS CREDITS, INCLUDING
DOLS 100 MILLION

IN FMS CREDIT WHICH IS NOT TO BE REPAYED.

--DOLS 250 MILLION IN SUPPORTING ASSISTANCE AUTHORIZED FOR
EGYPT.

--DOLS 100 MILLION IS AUTHORIZED FOR MIDDLE EAST SPECIAL
REQUIREMENTS FUND. SPECIFIC EXPENDITURES ARE SUBJECT TO
CONGRESSIONAL VETO WITHIN 30 CALENDAR DAYS. DOLS 6 MIL-
LION OF FUND IS EARMARKED FOR UNRWA.

--TURKISH AID IS SUSPENDED PENDING PRESIDENTIAL DETERMIN-
ATION OF QUOTE SUBSTANTIAL PROGRESS UNQUOTE TOWARD CYPRUS
AGREEMENT, BUT PRESIDENT MAY WAIVE PROVISION UNTIL
FEBRUARY 5, 1975.

--DOLS 25 MILLION IS EARMARKED FOR CYPRUS REFUGEES.

--INDOCHINA POST-WAR RECONSTRUCTION (IPR) LIMITED TO DOLS
617 MILLION, WITH FOLLOWING SUB-CEILING: SOUTH VIETNAM
DOLS 450 MILLION; CAMBODIA - DOLS 100 MILLION; AND LAOS-
DOLS 40 MILLION. BILL INCLUDES PROHIBITIONS ON USE OF
DEVELOPMENT MONIES AND ON WAIVER AND TRANSFER AUTHORITIES.
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 280692

--CAMBODIA IS SUBJECT TO A TOTAL ASSISTANCE CEILING OF
DOLS 377 MILLION; WITH A SUB-CEILING OF DOLS 200 MILLION
ON MILITARY AID; A DOLS 75 MILLION DRAWDOWN AUTHORITY
RAISES EFFECTIVE MILITARY SUB-CEILING TO DOLS 275 MILLION,
AND THE TOTAL TO 452 MILLION.

--LAOS ASSISTANCE MAY NOT EXCEED DOLS 70 MILLION (DOLS 30
MILLION MILITARY AND DOLS 40 MILLION DEVELOPMENT).

--SOUTH KOREA MILITARY PROGRAM (INCLUDING MAP, EDA & FMS
CREDIT) IS LIMITED TO DOLS 145 MILLION; THIS COULD INCREASE
BY DOLS 20 MILLION IF PRESIDENT CERTIFIES THAT ROKG IS
MAKING SUBSTANTIAL PROGRESS IN OBSERVING INTERNATIONAL
STANDARDS OF HUMAN RIGHTS.

--PORTUGAL AND PORTUGUESE EX-COLONIES ARE AUTHORIZED TO RECEIVE DOLS 25 MILLION IN ECONOMIC AID (DOLS 5 MILLION IN GRANTS AND DOLS 20 MILLION IN LOANS).

--CHILE AID IS LIMITED TO DOLS 25MILLION NONE OF WHICH MAYBE FOR MILITARY ASSISTANCE CREDITS, OR GUARANTIES UNDER FOREIGN ASSISTANCE AND FOERIGN MILITARY SALES ACT, (FAA AND FMSA).

--THE LATIN AMERICA CEILING ON MAP AND FMS CREDITS AND GUARANTIES IS REPEALED.

--SECTION 504(A) IS AMENDED TO INCLUDE CANAL ZONE, THUS EASING 31-COUNTRY LIMITATION ON MAP ASSISTANCE.

--TOTAU ASSISTANCE TO INDIA UNDER FAA AND THROUGH FMS CREDITS MAY NOT EXCEED DOLS 50 MILLION.

--PRESIDENT HAS THE AUTHORITY TO WAIVE AFRICA CEILING, ON MAP AND FMS CREDIT. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, FOREIGN ASSISTANCE LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 24 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE280692
Document Source: CORE
Document Unique ID: 00
Drafter: DWMCLINTOCK/RS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740373-0778
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741212/aaaaajsz.tel
Line Count: 190
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PM
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 04 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 OCT 2002 by ReddocGW>; APPROVED <02 JAN 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OLITICO-MILITARY ASPECTS OF FY75 FOREIGN ASSIS- TANCE ACT
TAGS: MASS, XX, US
To: ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005